

!KHEIS MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2007

!KHEIS MUNICIPALITY

INDEX

	Page
1 GENERAL INFORMATION	3
2 TREASURER'S REPORT	4-6
3 ACCOUNTING POLICIES	7-8
4 BALANCE SHEET	9
5 INCOME STATEMENT	10
6 CASH FLOW STATEMENT	11
7 NOTES TO THE FINANCIAL STATEMENTS	12-16

APPENDICES

A STATUTORY FUNDS, TRUST FUNDS AND RESERVES	17
B EXTERNAL LOANS AND INTERNAL ADVANCES	18
C ANALYSIS OF FIXED ASSETS	19
D ANALYSIS OF OPERATING INCOME AND EXPENDITURE	20
E DETAILED INCOME STATEMENT	21
F STATISTICAL INFORMATION	22

!KHEIS MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE COUNCIL

Councilors S M Jansen (Mayor)
 E Cloete
 K Esau
 PA Eksteen
 J P I Joseph
 J Ruiters
 H Smith

GRADING OF LOCAL AUTHORITY

Grade 1

AUDITORS

Auditor General

BANKERS

First National Bank

REGISTERED OFFICE

Municipal offices P O Box 176
Oranje Street 97 GROBLERSHOOP
GROBLERSHOOP

Telephone: (054) 833 9500

MUNICIPAL MANAGER

J Mac Kay (Masters of Philosophy in sustainable development, planning and management.)
 (Masters of Administration in public management.)

FINANCIAL MANAGER

J Blom (B Compt)

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 22 were approved by the Municipal Manager on

.....and presented to and approved by Council on

MUNICIPAL MANAGER

FINANCIAL MANAGER

!KHEIS MUNICIPALITY

TREASURERS REPORT

1. Introduction

It is my pleasure to present an overview of the operating results for the year ended 30 June 2007.
The Council's activities during the 2006/2007 financial year resulted in an accumulated surplus of R17 532

2. Operating Results

Details of the operating results per department, classification and object of expenditure are included in appendix D and E. The statistics are shown in appendix F. The overall operating results for the year ended 30 June 2007 are as follows:

Income	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Opening surplus	0	487 606		0	
Operating income for the year	9 119 747	10 875 320	19.25%	11 690 506	6.97%
Closing surplus					
Total	9 119 747	11 362 926		11 690 506	
Opening deficit	-224 447	0			
Operating expenditure for the year	9 643 738	11 397 451	18.18%	12 101 808	5.82%
Sundry Transfers	1 236 044	52 057			
Closing surplus	487 606	17 532		-411 302	

Operating income has increased by 19.25% as a result of an increase in respect income from community, economic and trading services.

The increase of 18.18 % in operating expenses was a direct result of an increase of community services expenses.

!KHEIS MUNICIPALITY

TREASURERS REPORT

The following is a summary of the operating results for the Municipality.

2.1 Rates and general services

	Actual	Actual	Variance	Budget	Variance
	2006	2007	2006/2007	2007	Actual/Budget
	R	R	%	R	%
Income	7 181 122	8 402 289	17.01%	7 249 428	-15.90%
Expenditure	7 541 724	9 681 751	28.38%	6 969 306	-38.92%
Surplus (deficit)	-360 602	-1 279 462	254.81%	280 122	556.75%
Surplus (deficit) as %					
of total income	-5.02%	-15.23%		3.86%	

2.2 Trading services

Water

	Actual	Actual	Variance	Budget	Variance
	2006	2007	2006/2007	2007	Actual/Budget
	R	R	R	R	%
Income	1 938 625	2 473 031	27.57%	2 079 830	-18.91%
Expenditure	2 102 014	1 715 700	-18.38%	2 000 251	14.23%
Surplus/ (deficit)	-163 389	757 331		79 579	
Surplus/ (deficit) as %					
of total income	-8.43%	30.62%		3.83%	

!KHEIS MUNICIPALITY

TREASURERS REPORT

3. CAPITAL EXPENDITURE AND FINANCING

Capital expenditure consists of the following:

	Actual 2007 R	Budget 2007 R	Actual 2006 R
Rates and General	3 519 344	9 698 000	1 483 806
Sanitation/Sewerage	3 106 188	4 400 000	-
Water network	3 118 970	0	1 069 734
Public works	-	0	-
Housing	-	1 134 194	-
Total	9 744 502	15 232 194	2 553 540

Resources used to finance the fixed assets were as follows:

	Actual 2007 R	Budget 2007 R	Actual 2006 R
Grants and subsidies	8 017 669	14 032 194	2 389 134
Contributions from operation income	-	-	164 406
Loans	1 726 833	1 200 000	-
Total	9 744 502	15 232 194	2 553 540

4. External loans, investments and cash

On 30 June 2007 external loans amounted to R2 443 984(R386 148 in 2006) and internal loans amounted to Rnil

More information regarding loans and investments are disclosed in notes (4 and 7) and Appendix B' to the financial statements.

5. Funds and reserves

More information regarding funds and reserves are disclosed in notes 1 to 3 and Appendix 'A' to the financial statements.

6. Post balance sheet events

None.

7. General

The Municipality had an Acting Municipal Manager for 9 months.

8. Appreciation

I would like to thank the Mayor, other Councilors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year.

Financial Manager

!KHEIS MUNICIPALITY

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of the Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
 - Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The financial statements include Rates and General services, Trading services and the different funds and reserves. All the inter- departmental charges are set - off against each other, with the exception of assessment rates, refuse removal, sewerage and water, which are treated as income and expenditure in the respective departments.

3. FIXED ASSETS

- 3.1 Fixed assets are stated:
 - At historical cost, or
 - At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation

The balance shown against the heading " Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

 - Appropriation from income, where the full cost of the assets forms an immediate and direct charge against the operating income, and therefore is unnecessary to make any further provisions for depreciation.
 - Grants or donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- 3.3 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance was made.
- 3.4 All net proceeds from the sale of fixed property are credited to the Revolving Fund. Net proceeds from the sale of all other assets are credited as income to Rates and General services.

4. INVENTORY

No inventory is kept as all stores and materials are debited to the relevant expenditure vote when items are purchased.

**IKHEIS MUNICIPALITY
ACCOUNTING POLICIES**

5. FUNDS AND RESERVES

5.1 Revolving Fund

Contributions to the Revolving Fund are calculated at a rate of 7.5% of the property tax levied in the previous year.

6. PROVISIONS

Provision are created for liabilities or contingencies which are known or not known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

7. RETIREMENT BENEFITS

The Council and its members contribute to either the Cape Joint Retirement Fund or the Imatu Retirement Fund to provide retirement benefits to employees.

Current contributions by the Municipality are charged against operating income on the basis of current service costs.

8. SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of Water services are transferred to Rates and General services.

9. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services(June 1990).

10. INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred.

11. INCOME RECOGNITION

11.1 Water Billings

All meters are read and billed monthly.

11.2 Assessment rates

The municipality applies a fixed rating system.

IKHEIS MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2006/2007	2005/2006
CAPITAL EMPLOYED			
FUNDS AND RESERVES		876 729	815 372
Statutory Funds	1	876 729	815 372
Reserves	2	-	-
RETAINED INCOME/ (ACCUMULATED DEFICIT)	18	17 532	487 605
		894 261	1 302 977
TRUST FUNDS	3	1 828 996	3 515 562
LONG-TERM LIABILITIES	4	2 215 394	233 997
CONSUMER DEPOSITS: SERVICES	5	37 004	25 160
		4 975 676	5 077 696
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	1 286 073	539 099
INVESTMENTS	7	-	-
LONG-TERM DEBTORS	8	-	-
		1 286 073	539 099
NETT CURRENT ASSETS/(LIABILITIES)		3 689 603	4 538 597
CURRENT ASSETS		7 429 810	7 148 004
Short-term investments	7	685 776	1 859 187
Debtors	10	6 743 860	5 286 576
Short-term portion of long-term debtors	8	-	2 068
Cash at bank		174	173
CURRENT LIABILITIES		3 740 207	2 609 407
Creditors	13	2 592 543	1 764 014
Short-term portion of long-term liabilities	4	228 590	152 151
Provisions	12	147 286	147 286
Bank Overdraft		771 788	545 956
		4 975 676	5 077 696

.....
Mr.J. Mac Kay
Municipal Manager

.....
Mr.J. Blom
Financial Manager

!KHEIS MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006 Actual Income R	2005/2006 Actual Expenditure R	2005/2006 Surplus (Deficit) R		2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus (Deficit) R	2006/2007 Budget Surplus/(Deficit) R
7 181 122	7 541 724	-360 602	RATES AND GENERAL SERVICES	8 402 289	9 681 751	-1 279 462	-490 881
5 218 385	7 112 871	-1 894 486	Community Services	6 121 173	9 257 063	-3 135 890	-2 172 961
-	-	-	Subsidised Services	-	-	-	-
1 962 737	428 853	1 533 884	Economic Services	2 281 116	424 688	1 856 428	1 682 080
-	-	-	HOUSING	-	-	-	-
1 938 625	2 102 014	-163 389	TRADING SERVICES	2 473 031	1 715 700	757 331	79 579
9 119 747	9 643 738	-523 991	TOTAL	10 875 320	11 397 451	-522 131	-411 302
		1 236 044	Appropriations for the year			52 057	
		712 052	Net surplus\ (deficit) for the year			-470 074	
		-224 447	Accumulated Surplus\ (Deficit) beginning of the year			487 606	
		487 606	ACCUMULATED SURPLUS\ (DEFICIT) AT THE END OF THE YEAR			17 532	

!KHEIS MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006/2007	2005/2006
CASH RETAINED FROM OPERATING ACTIVITIES		9 085 907	3 155 309
Cash generated by operations	19	5 528 648	1 929 503
Investment Income	17	65 932	81 736
(Increase)/Decrease in working capital	20	-628 755	-1 191 008
		4 965 825	820 231
Less: External Interest paid	17	121 526	54 056
Cash available from operations		4 844 299	766 175
Cash contributions from the public and Government		4 241 608	2 389 134
Net proceeds on disposal of fixed assets			
CASH UTILIZED IN INVESTING ACTIVITIES			
Investment in Fixed Assets		-9 744 502	-2 553 540
NET CASH FLOW		-658 595	601 769
CASH EFFECTS OF FINANCIAL ACTIVITIES			
Increase/(decrease) in long-term loans	21	2 057 836	-281 848
Increase/(decrease) in short-term loans		-	-
(Increase)/decrease in cash investments	22	-1 173 411	-382 227
(Increase)/decrease in cash	23	-225 830	62 306
NETT CASH (GENERATED) \UTILISED		658 595	-601 769

!KHEIS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006/2007	2005/2006
1. Statutory Funds		
Revolving Fund	876 729	815 372
	<u>876 729</u>	<u>815 372</u>
(Refer to appendix A for more detail)		
2. Reserves:		
	-	-
	<u>-</u>	<u>-</u>
3. Trust funds:		
EPWP Project	-	-57 968
DWAF - Water	-3 239	115 534
One Stop Service Centre	58 713	155 558
Financial Management Grant	139 050	3 660
Siyanda DM -Lightning project	405 346	428 451
SJG Kruger - House Wegdraai	-	5
Sanitation Toilets	-	1 196
Mun Systems Improvement Grant	-	22 185
Oxidation Ponds G/Hoop	-	436 290
Topline Community Hall	566 178	1 030 566
Cleaning Project	-	27 638
Upgrading Water Purification 04	-	132 822
Upgrading Water Purification G/Hoop	-68 482	1 219 625
Wegdraai Sportgronde - Lotto	365 715	
Boegoeberg Sportgronde - Lotto	365 715	-
	<u>1 828 996</u>	<u>3 515 562</u>
4. Long-term Liabilities		
External loans	2 443 984	386 148
	<u>-</u>	<u>-</u>
	2 443 984	386 148
	228 590	152 151
Less:		
Short term portion	<u>228 590</u>	<u>152 151</u>
	<u>2 215 394</u>	<u>233 997</u>
External loans were advanced by Absa Bank,BMW Finance and Nissan Finance(Wesbank)		
Internal loans are advanced by the Revolving Fund. The loans bear interest at of 3% to 13% and is repayble over periods between 1 and 30 years.		
None of the loans are secured by any assets of the municipality.		
(Refer to Appendix B for more detail on long-term liabilities)		
5. Consumer Deposits:Services		
Water	<u>37 004</u>	<u>25 160</u>
6. Fixed Assets		
Fixed Assets at the beginning of the year	13 491 987	13 491 987
Fixed Assets aquired during the year	9 744 502	-
Less: Fixed Assets written off or sold	<u>571 311</u>	<u>-</u>
Total Fixed Assets	22 665 178	13 491 987
Less: Loans redeemed and other capital receipts	<u>-21 379 105</u>	<u>-12 952 888</u>

!KHEIS MUNICIPALITY

Net Fixed Assets

1 286 073

539 099

(Refer to Appendix C for more detail on fixed assets)

!KHEIS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006/2007	2005/2006
7. Investments		
Unlisted - Fixed Deposits, savings and special savings	685 776	1 859 187
	-	-
	-	-
	-	-
	<u>685 776</u>	<u>1 859 187</u>
8. Long-term Debtors:		
J Blom - Vehicle loan	-	2 068
	-	2 068
Less: Short term portion of long-term debtors	-	2 068
	-	-
	<u>-</u>	<u>-</u>
9. Stock:	<u>-</u>	<u>-</u>
10. Debtors:		
Consumers	9 620 575	7 564 595
Property Taxes	373 018	328 194
Thumelo Youth Trust Farm	53 029	39 850
Other	100 571	757 270
	<u>10 147 193</u>	<u>8 689 909</u>
Less: Provision for bad debts	-3 403 333	-3 403 333
	<u>6 743 860</u>	<u>5 286 576</u>
11. Deferred charges:		
No deferred charges for the year	<u>-</u>	<u>-</u>
12. Provisions:		
Leave accruals	147 286	147 286
Bad Debts	-	-
	<u>147 286</u>	<u>147 286</u>
13. Creditors:		
Vat	1 190 226	921 372
Suspense Creditors	1 229 646	842 642
Salarisse	172 671	-
	<u>2 592 543</u>	<u>1 764 014</u>

!KHEIS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

14. Assessment Rates:

	2006/2007	2005/2006
Valuation as at 2005/07/01	Actual Income 2006/2007	Actual Income 2005/2006
Buildings	15 124 540	317 119
		403 406

Valuation of land are performed every five years and the last general valuation was done on 2/6/97.

The basic rate was 0,0199 per Rand on residential land and 0,0199 per Rand on business erven. A rebate of 20% was granted to Government institutions.

15. Remuneration:

15.1. Councillors

Mayor	243 712	141 520
Councillors	647 245	186 851
Pension contributions of Councillors	62 474	24 839
	<u>953 431</u>	<u>353 210</u>

Councillor's remuneration are within the upper limits as prescribed.

15.2. Municipal Manager

Chief Financial Officer	76 681	218 177
Acting Municipal Manager	216 836	
	<u>46 116</u>	<u>57 880</u>
	<u>339 633</u>	<u>276 057</u>

16 Auditors' Remuneration:

Audit fees	<u>241 570</u>	<u>193 675</u>
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17 Financial transactions:

Total external interest earned and paid

Interest earned: Investments	65 932	81 736
Interest paid: Bank	<u>33 277</u>	<u>12 111</u>

Capital charges debited to operating account

Interest: External	121 526	54 056
Interest: Internal	-	-
Redemption: External	408 548	147 719
Redemption: Internal	-	-
Plus redemption: Redemption fund	<u>-</u>	<u>-</u>
	<u>530 074</u>	<u>201 775</u>

18 Appropriations:

Appropriation account

Operating (deficit)\surplus at the beginning of the year	487 606	-224 447
Operating (deficit)\surplus for the year	-522 131	-523 991
Appropriation for the year	<u>52 057</u>	<u>1 236 044</u>
	<u>17 532</u>	<u>487 606</u>

Operating account

Fixed assets	-	164 406
Contribution to : revolving Fund	30 480	24 558
	<u>-</u>	<u>-</u>
	<u>30 480</u>	<u>188 964</u>

IKHEIS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006/2007	2005/2006
19 Cash generated by operations:		
Surplus/ (Deficit) for the year	-522 131	-523 991
Adjustments in respect of previous years' operating transactions	52 057	1 236 044
Appropriations charged against income:	30 480	188 964
Capital Expenditure	-	164 406
Revolving Fund	30 480	24 558
Provisions and reserves	-	-
Fixed Assets	-	-
Capital Charges	530 074	201 775
Interest paid	-	-
Internal Funds	-	-
External loans	121 526	54 056
Redemption:	-	-
Internal Funds	-	-
External loans	408 548	147 719
Deferred charges written off	-	-
Investment income (operating account)	-	-
Non-operating income	12 809 051	7 534 759
Non-operating expenditure charged against:		
- Accumulated funds	-	-
- Provisions and reserves	-7 370 883	-6 708 048
- Deferred charges	-	-
	<u>5 528 648</u>	<u>1 929 503</u>
20. (Increase) /Decrease in working capital		
(Increase) /Decrease in stock	-	-
(Increase) / Decrease in debtors	-1 457 284	-1 499 509
Increase/(Decrease) in advances	-	-
Increase/ (Decrease) in creditors	828 529	308 501
	<u>-628 755</u>	<u>-1 191 008</u>
21. Increase/(Decrease) in long-term loans (External)		
Loans raised	2 466 384	-
Loans repaid	408 548	281 848
	<u>2 057 836</u>	<u>-281 848</u>
22 (Increase) /Decrease in external investments		
Investments made	-1 173 411	-382 227
Investments withdrawn	-	-
	<u>-1 173 411</u>	<u>-382 227</u>
23 (Increase) /Decrease in cash on hand		
Cash balances at the beginning of the year	-545 783	-608 089
Less: Cash balances at the end of the year	-771 613	-545 783
	<u>-225 830</u>	<u>62 306</u>

!KHEIS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2006/2007

2005/2006

24 Retirement Benefits

The officials are members of the Cape Joint Pension Fund, Imatu and SAMWU. The actuarial valuation can be provided on request.

25 Contingent liabilities and contractual obligations

The Council has no contingent liabilities.

26 Capital Commitments

Commitments in respect of capital expenditure

Approved and contracted

Approved but not contracted

-	-
-	-
-	-

This expenditure will be financed from:

- Internal sources

- External sources

-	-
-	-
-	-

27 Consolidated Loans Fund

Outstanding advances to borrowing services

External loans (see Appendix B)

Internal Investments (surplus funds)

Creditors

-	-
-	-
-	-

Less:

Deferred charges

Debtors

Temporary advances

-	-
-	-
-	-
-	-

(Refer to appendix B for more detail)

Net expenditure charged to borrowing services
at a average rate of %

Interest paid on external loans

Deferred charges written off

Administration charges

-	-
---	---

Less: Interest earned on external investments

-	-
---	---

28 Revolving Fund

Outstanding advances to borrowing services

Accumulated funds

876 729

815 372

Less: Internal advances to borrowing services

-	-
876 729	815 372

!KHEIS MUNICIPALITY

APPENDIX A STATUTORY FUNDS, TRUST FUNDS AND RESERVES FOR THE YEAR ENDED 30 JUNE 2007

	Balance at 30/6/2006	Contributions during the year	Interest on investments	Other Income	Expenditure during the year
	R	R	R	R	R
Accumulated Funds:					
Revolving Fund	815 372	30 480	-	30 877	-
	<u>815 372</u>	<u>30 480</u>	<u>-</u>	<u>30 877</u>	<u>-</u>
Trust funds:					
EPWP Project	-57 968	100 000	-	-	42 032
DWAF - Water	115 534	-	-	231 074	349 847
One Stop Service Centre	155 558	-	-	321 600	418 445
Financial Management Grant	3 660	-	-	500 000	364 610
Siyanda DM -Lightning project	428 451	-	-	-	23 105
SJG Kruger - House Wegdraai	5	-	-	-	5
Sanitation Toilets	1 196	-	-	-	1 196
Mun Systems Improvement Grant	22 185	-	-	734 000	756 185
Oxidation Ponds G/Hoop	436 290	-	-	3 066 213	3 502 503
Topline Community Hall	1 030 566	-	-	-	464 388
Cleaning Project	27 638	-	-	-	27 638
Upgrading Water Purification 04	132 822	-	-	-	132 822
Upgrading Water Purification G/Hoop	1 219 625	-	-	-	1 288 107
Boegoeberg Sportgronde - Lotto	-	-	-	365 715	-
Wegdraai Sportgronde - Lotto	-	-	-	365 715	-
	<u>3 515 562</u>	<u>100 000</u>	<u>-</u>	<u>5 584 317</u>	<u>7 370 883</u>
Reserves:					
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Provisions:					
Bad debts	3 403 333	-	-	-	-
Less :Transferred debtors	-3 403 333	-	-	-	-
Leave accruals	147 286	-	-	-	-
	<u>147 286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4 478 220</u>	<u>130 480</u>	<u>-</u>	<u>5 615 194</u>	<u>7 370 883</u>

!KHEIS MUNICIPALITY

Balance at 30/6/2007
R
876 729
876 729
-
-3 239
58 713
139 050
405 346
-
-
-
-
566 178
-
-
-68 482
365 715
365 715
1 828 996
-
-
-
3 403 333
-3 403 333
147 286
-
147 286
2 853 011

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APPENDIX B EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2007

	Balance at 30/6/2006	Received during the year	Redeemed Written off	Balance at 30/6/2007
EXTERNAL LOANS				
Development Bank of SA	-	1 827 907	-	1 827 907
ABSA	263 074	-	206 769	56 305
BMW Finance	123 074	-	123 074	-
Nissan Finance (Wesbank)	-	638 477	78 705	559 772
	386 148	2 466 384	408 548	2 443 984
INTERNAL LOANS				
Revolving Fund	-	-	-	-
	-	-	-	-

IKHEIS MUNICIPALITY

**APPENDIX C
ANALYSIS OF FIXED ASSETS
FOR THE YEAR ENDED 30 JUNE 2007**

Expenditure 2006	SERVICE	Budget 2007	Balance 30/6/2006	Expenditure 2007	Written off or disposed of during year	Balance 30/6/2007
1 483 806	Rates and General Services	14 098 000	9 630 983	6 625 532	571 311	15 685 204
1 483 806	<i>Community Services</i>	9 698 000	6 613 672	3 519 344	571 311	9 561 705
-	Land	720 000	29 232	137 941	-	167 173
1 451 829	Buildings	16 000	2 155 138	1 193 683	-	3 348 821
31 977	Equipment	-	350 530	-	-	350 530
-	Public Works	-	88 219	-	-	88 219
-	Vehicles	-	610 811	302 689	571 311	342 189
-	Caravan Park	-	22 407	-	-	22 407
-	Other	1 462 000	3 022 534	-	-	3 022 534
-	Furniture	-	89 227	-	-	89 227
-	<i>Public Services</i>	-	-	-	-	-
-	Vehicles	-	245 574	335 788	-	581 362
-	Equipment and Sreetlightning	-	-	102 011	-	102 011
-	Roads	7 500 000	-	1 447 232	-	1 447 232
-	-	-	-	-	-	-
-	<i>Subsidized Services</i>	-	-	-	-	-
-	-	-	-	-	-	-
-	<i>Economic Services</i>	4 400 000	3 017 311	3 106 188	-	6 123 499
-	Sewerage	4 400 000	-	3 106 188	-	3 106 188
-	Sanitation Equipment	-	3 017 311	-	-	3 017 311
-	-	-	-	-	-	-
-	Housing Services	1 134 194	-	-	-	-
-	-	1 134 194	-	-	-	-
-	Sub Economic Housing	1 134 194	-	-	-	-
-	-	-	-	-	-	-
1 069 734	Trading Services	-	3 861 004	3 118 970	-	6 979 974
1 069 734	-	-	3 861 004	3 118 970	-	6 979 974
1 069 734	Water	-	3 861 004	3 118 970	-	6 979 974
-	-	-	-	-	-	-
2 553 540	TOTAL FIXED ASSETS	15 232 194	13 491 987	9 744 502	571 311	22 665 178
	Less Loans redeemed and other capital receipts	15 232 194	-12 952 888	-8 426 217	-	-21 379 105
	-	15 232 194	-12 952 888	-8 426 217	-	-21 379 105
	-Loans redeemed and advances paid back	1 200 000	-659 527	-408 548	-	-1 068 075
	-Grants and subsidies	14 032 194	-11 611 167	-8 017 669	-	-19 628 836
	-Contribution ex operating income	-	-682 194	-	-	-682 194
	-Contribution from the public	-	-	-	-	-
	Net Fixed Assets	-	539 099	1 318 285	-	1 286 073

IKHEIS MUNICIPALITY

APPENDIX D Analysis of Operating Income and Expenditure for the year ended 30 June 2007

Actual 2006 R		Actual 2007 R	Budget 2007 R
Income			
4 232 450	Grants and subsidies: National/ Provincial Government	5 235 470	5 232 000
4 887 297	Operating Income	5 639 850	6 458 506
403 406	Property Tax	317 119	444 362
1 938 625	Sale of water	2 473 031	2 079 830
-	Sale of electricity	-	-
2 545 266	Other services	2 849 700	3 934 314
<u>9 119 747</u>		<u>10 875 320</u>	<u>11 690 506</u>
Expenditure			
3 218 977	Salaries, wages and allowances	4 625 077	4 981 579
5 187 698	General expenditure	5 639 240	6 262 452
-	- Purchase of electricity	-	-
699 180	- Purchase of water	233 482	294 694
4 488 518	- Other general expenses	5 405 758	5 967 758
843 283	Repairs and maintenance	581 402	546 977
204 817	Capital charges	515 541	274 962
-	Provisions	-	-
164 406	Contributions to fixed assets	5 711	8 000
24 557	Contributions	30 480	27 838
<u>9 643 738</u>	Gross expenditure	<u>11 397 451</u>	<u>12 101 808</u>

IKHEIS MUNICIPALITY

!KHEIS MUNICIPALITY

APPENDIX E DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

Actual Income 2006 R	Actual Expenditure 2006 R	Surplus/ (Deficit) 2006 R		Actual Income 2007 R	Actual Expenditure 2007 R	Surplus/ (Deficit) 2007 R	Budget Surplus/ (Deficit) R
7 181 122	7 541 724	-360 602	Rates and General services	8 402 289	9 681 751	-1 279 462	-490 881
5 218 385	7 112 871	-1 894 486	<i>Community Services</i>	6 121 173	9 257 063	-3 135 890	-2 172 961
5 054 676	5 397 832	-343 156	Property Tax	5 912 492	6 365 253	-452 761	280 122
-	616 468	-616 468	Council General Cost	-	1 825 945	-1 825 945	-1 660 844
17 690	1 098 571	-1 080 881	Public Works	15 627	1 065 865	-1 050 238	-1 013 995
146 019	-	146 019	Licensing/Traffic	193 054	-	193 054	221 756
-	-	-		-	-	-	-
-	-	-	<i>Subsidized Services</i>	-	-	-	-
-	-	-		-	-	-	-
1 962 737	428 853	1 533 884	<i>Economic Services</i>	2 281 116	424 688	1 856 428	1 682 080
1 962 737	428 853	1 533 884	Refuse/Sanitation	2 281 116	424 688	1 856 428	1 682 080
-	-	-		-	-	-	-
-	-	-	Housing Services	-	-	-	-
1 938 625	2 102 014	-163 389	Trading Services	2 473 031	1 715 700	757 331	79 579
1 938 625	2 102 014	-163 389	Water	2 473 031	1 715 700	757 331	79 579
-	-	-		-	-	-	-
-	-	-		-	-	-	-
9 119 747	9 643 738	-523 991	Total	10 875 320	11 397 451	-522 131	-411 302
		1 236 044	Appropriations for the year (Refer note 18)			52 057	
		712 053	Net surplus\deficit) for the year			-470 074	
		-224 447	Accumulated surplus\deficit) beginning of the year			487 606	
		487 606	Accumulated surplus\deficit) end of year			17 532	

!KHEIS MUNICIPALITY

APPENDIX F

	2006/2007	2005/2006
General Statistics		
Population	16 027	16 027
Registered voters	7 669	7 669
Total Valuations		
- Taxable Properties	16 426 140	#####
- Non-Taxable Properties	268 950	268 950
- Residential Properties	8 803 140	8 803 140
- Commercial Properties	5 462 000	5 462 000
Number		
- Residential	1 993	1 993
- Commercial	35	35
- Government	16	16
- Municipal	11	11
- Non-Taxable Properties	1 857	1 857
Assesment Rates (cent per Rand)		
- Basic (per rand)	1.99/R1	1.99/R1
- Discount: Government	20%	20%
Number of Employees	35	35
Water statistics		
Units bought	Not metered	Not metered
Units sold		
Units lost	Not metered	Not metered
Units lost as % units bought		
Cost per unit sold - Basic charge	R 25.00	R 25.00
- Purified water		
0-6kl	R 1.99	R 1.86
7-15kl	R 2.40	R 2.24
16-40kl	R 2.88	R 3.11
41+kl	R 3.46	R 4.96
80-100kl	R 3.46	R 6.22
101-150kl	R 3.46	